



U.S. Department of Justice

*United States Attorney
Eastern District of California*

*501 I Street, Suite 10-100
Sacramento, California 95814*

*916/554-2700
Fax 916/554-2900*

For Immediate Release
May 31, 2002

**TWO CALIFORNIA MEN CONVICTED
IN INTERNATIONAL MONEY LAUNDERING SCHEME**

SACRAMENTO--United States Attorney John K. Vincent announced today that WAYNE ANDERSON, 62, of Squaw Valley, California, and RICHARD MARKS, 58, formerly of Sacramento, California, were convicted of engaging in a conspiracy to launder money and of money laundering in a case arising out of their activities as leaders of an international organization. The jury verdicts followed a 14 day jury trial before U.S. District Court Judge Lawrence K. Karlton.

WAYNE ANDERSON was the second in command of Anderson's Ark & Associates, an organization based in the United States and Costa Rica, that used a network of bank accounts around the world to assist its clients in laundering funds and engaging in tax evasion. RICHARD MARKS was the chief accountant for the organization. A third defendant, KAROLYN GROSNIKLE, of Hoodspout, Washington, who pleaded guilty to money laundering prior to trial, was the chief administrative officer for the organization.

A fourth defendant, KEITH ANDERSON, the leader of the organization, was apprehended in Costa Rica in February. He is currently in custody in Costa Rica, awaiting extradition to the United States. In addition to the charges in this case, a criminal complaint is pending against KEITH ANDERSON in the Western District of Washington. The complaint alleges that Anderson's Ark & Associates obtained approximately \$28 million in illegal tax refunds for more than 1,500 clients from 1998 to 2001. The complaint also alleges that Anderson's Ark & Associates handled more than \$50 million of clients' money. The complaint further alleges that the organization prepared tax returns that claimed large tax deductions for fraudulent "net operating losses" and "consulting expenses." In reality, the complaint alleges, the funds were not spent as claimed, but instead were wired to Costa Rica so that clients could later withdraw them with a debit card.

The investigation that led to the prosecution in this case originated in Boston in late 1998. The IRS initiated an undercover operation that concluded with the execution of search warrants at numerous locations in the United States and Costa Rica in February 2001. The conspiracy count on which both defendants were convicted alleged that the defendants participated in a scheme to launder approximately \$370,000 in funds provided by IRS undercover agents, who

represented that the money constituted proceeds of a bank fraud scheme, and proceeds of a scheme to conceal assets from a bankruptcy court. In addition to the conspiracy count, WAYNE ANDERSON was convicted of laundering \$100,000 in cash he received in a parking lot in Fresno, which he believed were proceeds of the bank fraud scheme. RICHARD MARKS was also convicted of laundering \$50,000 provided to him in his office in Sacramento, which he believed was being concealed from a bankruptcy court. KAROLYN GROSNICKLE previously pleaded guilty to laundering \$60,000 in cashiers checks which the undercover agents provided to her at the Anderson's Ark administrative center in Washington State.

According to Assistant U.S. Attorneys Benjamin B. Wagner and James P. Arguelles, who are prosecuting the case, the evidence at trial established that Anderson's Ark and Associates concealed money through various domestic and off-shore accounts. The defendants moved funds through bank accounts in the name of shell companies located in the United States, Costa Rica, and several European and Caribbean tax haven countries. An IRS agent who analyzed the contents of WAYNE ANDERSON's laptop computer, which was seized during the execution of a search warrant, testified that it documented over \$40 million flowing into an account in Costa Rica called "La Maquina Blanca", translated as "The White Machine", over about a three and a half year period. In order to conceal the nature of the transfers, some of the transactions were characterized as "donations", while others were characterized as payments for "consulting" services.

A former girlfriend of KEITH ANDERSON's testified during the trial that, long after she had left Keith Anderson in 1997, Anderson's Ark and Associates had used, without her knowledge or consent, a credit union account in Arizona which she had opened years ago to route hundreds of thousands of dollars to Costa Rica. Deposits into the account, and wire transfer requests, bore a stamped or computer generated version of her signature. Copies of some of those deposit documents, and a computerized bitmap of her signature, were found on WAYNE ANDERSON's computer.

U.S. Attorney Vincent said: "These convictions represent a major blow to Anderson's Ark & Associates. Those who seek to illegally conceal funds through offshore bank accounts should be on notice that the Justice Department is committed to combating international money laundering in all its forms."

Dwight J. Sparlin, Special Agent in Charge of IRS Criminal Investigation in Northern California, said of today's verdicts: "This is yet another conviction of those involved in the leadership of the Anderson Ark organization. IRS Criminal Investigation will continue to pursue the illegal activities of this organization and any other that attempts to hide money derived from illegal activities or hide it for the purpose of tax evasion."

In prosecutions arising from the same investigation, Michael Gonet, of Stow, Massachusetts, previously pleaded guilty to money laundering in the District of Massachusetts, and Anderson's Ark & Associates member Richard L. Castellini, of New Jersey, is scheduled to commence a jury trial in that district on July 10, 2002. Castellini is charged with money laundering and money laundering conspiracy.

In a related case, Terri Yvonne Lewis, 42, and Steven Lyle Anderson, 37, both children of Wayne Anderson, and residents of Squaw Valley, California, pleaded guilty on April 22, 2002, in

U.S. District Court in Fresno to conspiracy to obstruct justice relating to their efforts to shred documents and delete information from a computer in order to avoid revealing information to a federal grand jury.

In another related case, Roosevelt L. Drummer, 46, of Sacramento, and another man, Roy Lentz, of Washington State, both accountants, pleaded guilty in U.S. District Court in Seattle, Washington to charges of conspiring to defraud the Internal Revenue Service, in connection with their work as accountants with Anderson's Ark & Associates. The pleas were entered on October 16, 2001 and July 25, 2001, respectively. The guilty pleas remained sealed until April 11, 2002. Drummer was previously convicted in Sacramento on federal charges of conspiracy to defraud the United States, making false statements, and securities fraud. In 1994 he was sentenced by U.S. District Court Judge Edward J. Garcia to a year in prison, a period of supervised release, and a fine.

Sentencing for WAYNE ANDERSON and RICHARD MARKS is scheduled for August 13, 2002. Sentencing for KAROLYN GROSNICKLE is scheduled for July 30, 2002. The maximum possible penalty on each count of conviction is 20 years in prison. All three defendants are in custody. All of them could face additional charges arising from the ongoing investigation in Washington State.

RICHARD MARKS has also been indicted in the Central District of California for being a felon in possession of firearms, arising from the discovery of guns at his residence in Los Osos, California, during the execution of the search warrants. MARKS was previously convicted of bankruptcy fraud in U.S. District Court in Sacramento.

The charges against Castellini and Keith Anderson, and the firearms charge against Richard Marks, are only allegations, and they are presumed innocent.

Additional information about tax fraud schemes to watch out for can be found on the IRS Criminal Investigation website. <<http://www.ustreas.gov/irs/ci/>>

A copy of this press release may be found on the United States Attorney Office's website at: http://www.usdoj.gov/usao/cae/text_version/text_pressindex.htm.

###